

Financial and Commercial

DEPRESSED IN THE FIRST HOUR

Then Prices Rallied With Some Show of Strength in Wall Street.

BANK STATEMENT LATER

MARKET CONDITIONS NOT YET NORMAL.

New York, Nov. 2.—The abstract of the statement of averages made by the banks to the clearing house was recorded on the tape today after all transactions at the stock market had been completed. The most vital fact regarding the bank statement is that the reserve item is not made to show by anticipation any part of the enormous volume of gold now afloat for New York and destined to arrive and flow into bank reserve before the next week has expired. Meantime fresh credits have been accorded with unstinted hand, as is the proper method of meeting a crisis approved by tried wisdom. The \$60,741,000 loan expansion, which has been in force, and which is included in this item.

The stress in which the trust companies have labored has caused the usual result in an unusual degree of transfer of funds from trust companies to banks, a process which, it is perfectly evident, does not affect the total outstanding volume of loans, although expanding that item of the banks themselves. The figure of the deficit below the legal reserve requirement of the banks is less enlightening than the proportion of the reserve to liability, which stands at 21.30 per cent against 20 per cent in 1905. The bank statement does not include the separate statement of government deposits for which the banks are exempt from the cash reserve requirement according to a ruling of the treasury department, but not by the rule of the clearing house.

Bonds were weak. Total sales, par value, \$1,336,000.

U. S. 2s have advanced 3/4, the 3s 1/4, and the 4s 1/2 per cent in the bid prices on call during the week.

Stock Quotations.	Sales.	High.	Low.	Close.
Adams Express	1,600	42 1/2	42 1/2	42 1/2
Amal. Copper	1,600	42 1/2	42 1/2	42 1/2
Amer. C. & P.	200	82 1/2	82 1/2	82 1/2
Preferred	200	82 1/2	82 1/2	82 1/2
Amer. Cot. Oil	200	25 1/2	25 1/2	25 1/2
Preferred	200	25 1/2	25 1/2	25 1/2
Amer. Express	100	170	170	170
Amer. H. & L.	100	11 1/2	11 1/2	11 1/2
American Ice	200	11 1/2	11 1/2	11 1/2
Amer. Lin. Oil	300	7 1/2	7 1/2	7 1/2
Preferred	300	7 1/2	7 1/2	7 1/2
Amer. Loco.	600	32 1/2	32 1/2	32 1/2
Preferred	600	32 1/2	32 1/2	32 1/2
Amer. S. & R.	4,800	67 1/2	66 1/2	67 1/2
Preferred	300	52 1/2	52 1/2	52 1/2
Amer. Sugar Ref.	100	100 1/2	100 1/2	100 1/2
Amer. Tob.	200	69 1/2	69 1/2	69 1/2
Amer. Min. Co.	2,100	37 1/2	37 1/2	37 1/2
Atlantic C. Line	400	61 1/2	61 1/2	61 1/2
Baltimore & O.	900	99 1/2	99 1/2	99 1/2
Preferred	900	99 1/2	99 1/2	99 1/2
Brooklyn R. T.	2,000	30 1/2	30 1/2	30 1/2
Canadian Pac.	800	150 1/2	149 1/2	150 1/2
Cent. of N.	100	28 1/2	28 1/2	28 1/2
Ches. & Ohio	100	28 1/2	28 1/2	28 1/2
Chl. Gt. West.	500	78 1/2	78 1/2	78 1/2
Chl. & North.	100	137 1/2	137 1/2	137 1/2
C. C. & St. L.	6,000	101 1/2	99 1/2	100 1/2
Chl. T. & T.	100	5 1/2	5 1/2	5 1/2
C. C. & St. L.	100	48 1/2	48 1/2	48 1/2
Colo. & Iron	800	16 1/2	16 1/2	16 1/2
Colo. & South.	200	18 1/2	18 1/2	18 1/2
1st preferred	100	44 1/2	44 1/2	44 1/2
2d preferred	100	32 1/2	32 1/2	32 1/2
Con. Gas	100	82 1/2	82 1/2	82 1/2
Con. Products	100	84 1/2	84 1/2	84 1/2
Preferred	400	50 1/2	50 1/2	50 1/2
Del. & Hudson	500	126 1/2	125 1/2	126 1/2
D. & West.	100	24 1/2	24 1/2	24 1/2
D. & R. G.	200	18 1/2	18 1/2	18 1/2
Preferred	200	18 1/2	18 1/2	18 1/2
DuPonts Sec.	2,500	40 1/2	40 1/2	40 1/2
Erie	600	18 1/2	17 1/2	18 1/2
1st preferred	400	40 1/2	39 1/2	40 1/2
2d preferred	100	28 1/2	27 1/2	28 1/2
Gen. Electric	100	109 1/2	107 1/2	109 1/2
Illinois Central	500	121 1/2	120 1/2	121 1/2
Intl. Paper	200	104 1/2	104 1/2	104 1/2
Intl. Pump	1,500	91 1/2	91 1/2	91 1/2
Preferred	200	52 1/2	52 1/2	52 1/2
Iowa Central	100	118 1/2	117 1/2	118 1/2
Preferred	100	52 1/2	52 1/2	52 1/2
K. C. Southern	100	48 1/2	47 1/2	48 1/2
Louis & N.	800	95 1/2	95 1/2	95 1/2
Mexican Cent.	700	14 1/2	14 1/2	14 1/2
M. & St. L.	100	72 1/2	72 1/2	72 1/2
M. S. P. & S. M.	100	120 1/2	119 1/2	120 1/2
Preferred	400	52 1/2	51 1/2	52 1/2
Missouri Pac.	400	52 1/2	51 1/2	52 1/2
M. K. & T.	100	24 1/2	24 1/2	24 1/2
Preferred	100	52 1/2	52 1/2	52 1/2
National Lead	100	35 1/2	35 1/2	35 1/2
Nat. R. of Mex.	4,300	96 1/2	94 1/2	96 1/2
N. Y. C. & West.	200	28 1/2	28 1/2	28 1/2
Norfolk & West.	100	65 1/2	65 1/2	65 1/2
Preferred	100	65 1/2	65 1/2	65 1/2
North American	600	49 1/2	49 1/2	49 1/2
Pacific Mail	100	107 1/2	107 1/2	107 1/2
Pennsylvania	400	107 1/2	107 1/2	107 1/2
People's Gas	200	75 1/2	75 1/2	75 1/2
P. C. & St. L.	100	17 1/2	17 1/2	17 1/2
Pressed Steel Car.	300	70 1/2	70 1/2	70 1/2
Preferred	300	70 1/2	70 1/2	70 1/2
Pull. Pal. Car.	100	140 1/2	139 1/2	140 1/2
Reading	100	75 1/2	74 1/2	75 1/2
1st preferred	100	65 1/2	65 1/2	65 1/2
2d preferred	100	55 1/2	55 1/2	55 1/2
Republic Steel	100	55 1/2	55 1/2	55 1/2
Preferred	100	55 1/2	55 1/2	55 1/2
Rock Island Co.	1,300	134 1/2	133 1/2	134 1/2
Preferred	100	55 1/2	55 1/2	55 1/2
St. L. South.	200	28 1/2	28 1/2	28 1/2
Preferred	200	28 1/2	28 1/2	28 1/2
Southern Pac.	2,400	67 1/2	66 1/2	67 1/2
Preferred	700	105 1/2	103 1/2	105 1/2
Southern Ry.	100	124 1/2	124 1/2	124 1/2
Preferred	100	124 1/2	124 1/2	124 1/2
Tenn. C. & I.	100	124 1/2	124 1/2	124 1/2
Texas & Pac.	100	192 1/2	191 1/2	192 1/2
T. St. L. & W.	300	33 1/2	33 1/2	33 1/2
Union Pacific	18,400	109 1/2	107 1/2	109 1/2
Preferred	100	75 1/2	75 1/2	75 1/2
U. S. Express	100	68 1/2	68 1/2	68 1/2
U. S. Realty	300	37 1/2	37 1/2	37 1/2
U. S. Rubber	100	66 1/2	66 1/2	66 1/2
Preferred	100	66 1/2	66 1/2	66 1/2
U. S. Steel	15,500	25 1/2	25 1/2	25 1/2
Preferred	5,200	87 1/2	87 1/2	87 1/2
Vir. Car. Chem.	500	13 1/2	13 1/2	13 1/2
Wabash	1,800	84 1/2	83 1/2	84 1/2
Preferred	200	144 1/2	144 1/2	144 1/2
Wash. Fargo Exp.	300	54 1/2	54 1/2	54 1/2
West. Elec.	100	62 1/2	62 1/2	62 1/2
Western Union	100	62 1/2	62 1/2	62 1/2
Wheeler & L. E.	21,100	14 1/2	14 1/2	14 1/2
Preferred	100	106 1/2	106 1/2	106 1/2
Wor. Central	500	133 1/2	133 1/2	133 1/2
Preferred	500	133 1/2	133 1/2	133 1/2
Y. S. S.	1,500	111 1/2	110 1/2	111 1/2

GRAIN AND PROVISIONS.

Chicago, Nov. 2.—The New York financial situation turned a strong wheat market into a weak affair today and at the close wheat for December delivery was 1/4c lower. Corn was down 1/4c. Oats were 1/4c lower. Provisions were 1/4c to 1/2c lower.

The wheat market opened firm today, responding to unexpected strength at Liverpool. Later the New York bank statement was received and it being considered the worst on record from that city caused immediate and heavy selling of wheat. Prices broke sharply and remained weak until the close. The rumors of shutting down of mills also caused some selling. The fact that some export business was reported from the east did not prove an offset to the financial situation. The close was weak. December wheat opened 1/4c higher at 96 1/2c to 96 3/4c, sold between 94 1/2c and 95c, and closed at 94 1/2c.

The corn market was strong at the opening in sympathy with wheat and the reports of poor husking returns. Considerable selling of long corn came out on the advance and then the break in wheat and the New York bank statement caused a sharp decline. Cash houses were fairly free sellers and the market in general received a steady demand. December corn opened 1/4c to 1/2c higher at 56 1/2c to 57c, sold between 55 1/2c and 56c, and closed at 56c.

The oat market opened strong in sympathy with wheat and corn, but later the attempt of prominent longs to unload, together with the decline in wheat and corn, broke the market sharply. Trade was in small volume and the range of prices was narrow. December oats opened 1/4c lower at 42 1/2c, sold between 42 1/2c and 43c, and closed at 42 1/2c.

The provisions market weakened under selling by packers, despite a bullish showing of statistics. The weekly receipts of hogs at western points were much less than last week or the week immediately preceding or the corresponding week last year. January pork closed at 17 1/2c lower. Lard was down 1/2c to 3/4c and ribs were 1/2c lower.

Treasury Statement.

Washington, Nov. 2.—Today's statement of the treasury balances in the general fund, exclusive of the \$150,000,000 gold reserve, shows:

Available cash balance, \$23,818,516; gold coin and notes, \$13,519,995; gold certificates, \$15,644,180.

The Bank Statement.

New York, Nov. 2.—The statement of clearing house banks for the week shows that the banks held \$38,825,825 less than the requirements of the 25 per cent reserve rule. This is a decrease in cash reserve surplus of \$7,065,525 as compared with last week. The statement follows:

Loans, \$148,358,609; increase, \$2,741,000. Circulation, \$51,742,709; increase, \$344,400. Legal tenders, \$48,134,000; decrease, \$20,512,100.

Reserve, \$224,107,500; decrease, \$30,601,800. Reserve required, \$262,946,755; increase, \$7,065,525.

Ex. United States deposits, not given.

The statement as given out at the clearing house contains this additional sentence: "Percentage of reserve 21.30, against 20 per cent in 1905."

The deficit of \$38,825,825 this week compares with a deficit of \$1,233,300 last week. The statement will say: As we expected, because of the severe strain upon the institutions last week, the official statement of the New York associated banks showed a very unfavorable exhibition, although so far as regards the percentage of reserve to deposits this was 21.30 per cent against 20 per cent in 1905. The banks gained \$15,000,000 cash from the sub-treasury through disbursements from that office, but the drain to the interior was so great as to much more than offset this; hence the net loss of cash, as officially shown, was \$30,601,800.

Deposits were increased by \$23,818,516, and the reserve requirements were thereby augmented to \$262,946,755. This to the loss of cash made \$37,065,525, and the decrease in reserve \$38,825,825 deficit. Loans were expended \$30,601,800, indicating that the demands upon the banks for accommodation must have been enormous. Response thereto, however, appears to have been liberal, for had such relief been withheld the situation doubtless would have been even more disturbing. It seems quite probable that the statement of this week will show much improvement as the result of the arrivals of gold in Europe, which will begin to be imported by Wednesday; and also because of the utilization of other measures to relieve the situation.

It may be interesting to note the changes in associated bank conditions in the week ending June 17, 1905, when the deficit below the legal reserve requirement was \$1,233,300. The deficit was so seriously and the outlook was so unfavorable as to compel a resort to the measure of the issuance of clearing house loan certificates and to other relief devices. Compared with the exhibit of the previous week, the deficit in deposits were reduced \$19,389,200, legal tenders \$7,430,500 and specie \$1,210,500, making the net loss of cash \$20,609,200. The reserve was, however, reduced only \$564,100, and the banks held an excess reserve of \$7,788,800. Then, as now, the bank conditions were influenced by heavy shipments of currency to the west, which section was in greatest need of assistance. The contraction of loans amounted to but \$1,680,000, indicating that response to local needs was fairly liberal.

would have been even more disturbing. It seems quite probable that the steady improvement in the market will show much improvement as the result of the arrivals from the West Indies, and the situation is expected to be reported by Wednesday; and also because of the utilization of other means of transportation.

It may be interesting to note the changes in associated bank conditions in New York City, since the 1st of January, 1932. The crisis of that year affected the statement of the banks so seriously and the outlook was so uncertain that the Federal Reserve Bank took the measure of the issuance of clearing house loan certificates and to other relief devices. The following table shows the condition of the banks in New York City for the previous week—June 12, 1932—deposits were reduced 15,389,200, legal tenders \$7,000,000, cash \$1,000,000, and the surplus loss of cash \$3,741,400. The surplus reserves were, however, reduced only \$564,100 and the cash balance was \$1,000,000. The surplus was 76,800. Then, as now, the bank conditions were influenced by heavy shipments of gold to Europe, and the situation was in a great need of assistance. The contraction of loans amounted to but \$369,000, and the Federal Reserve Bank was fairly liberal.